Key Points of the Research Report on Online Giving in China: How the Public Participates in China’s 3rd Party Online Giving Platforms
Fundraising Innovation Development Center (FIDC), founded in 2017, is the registration organization of China Association of Fundraising Professionals (CAFP). **CAFP is the first and the only Fundraising Industry cultivation Platform dedicated to promoting the professionalization of the fundraising industry in China.**

With more than 300 individuals and organizations, CAFP has been hosting the China Fundraising Professionals Forums and fundraisers’ salons; translating and publishing international fundraising publications; conducting industry research; introducing and promoting the Statement of Ethical Principles in Fundraising; and compiling periodicals featuring updated information in the field of fundraising.

Now FIDC board members are Narada Foundation, Dunhe Foundation, One Foundation, China Foundation for Poverty Alleviation, Alibaba Group (CSR Department) and Shanghai United Foundation.
China Fundraising Professional Forum

From July 28th- 29th, 2015, the 1st China Fundraising Professionals Forum was held at the China National Convention Center in Beijing. The theme was “Great Changes in Fundraising: From Traditional to Modern”.

Ken Burnett attended the 1st forum

The theme of the 2nd China Fundraising Professionals Forum was “Fundraising, Connecting for Good”.

Adrian Sargeant attended the 2nd forum
July 28th- 29th, 2016, Beijing
China Fundraising Professional Forum

From Dec 7th- 8th, 2015, the 3rd China Fundraising Professionals Forum was held in Shanghai. The theme was “Fundraising Under the Wave of Technology Revolution”.

Eva E. Aldrich attended the 3rd forum.

CAFP joined as a Participating Organization of CFRE International

The signing ceremony of CFRE & CAFP, Dec 8th, 2017, Shanghai

The 4th China Fundraising Professionals Forum will be held at the end of 2018.
This report, sponsored by Alibaba Group (CSR department) is the 2nd research report regarding fundraising industry since "Online Giving in China: A Research Report on 3rd Party Platforms in 2014" which was released by CAFP in 2015.

The participation methods as discussed in this report include: giving, p2p fundraising, buying, communication and interaction, investment for non-profit projects, voluntary service etc. All these methods are the mainstay by which the public participates in online philanthropy activities via 3rd party platforms.
The History and Status Quo of Online Fundraising Platforms in China

How the Public Participates in China's Online Giving Platforms

Trends Analysis
Part I, The History and the Status Quo
## The history of how the public has been participating in online giving platforms

<table>
<thead>
<tr>
<th>Period</th>
<th>Emerging Stage</th>
<th>Burgeoning Stage</th>
<th>Transition Stage</th>
<th>Normalization Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>- Emerging of online giving&lt;br&gt;- Germination of online charity shops&lt;br&gt;- Burgeoning of BBS Volunteering</td>
<td>- Key third-party platforms came into being&lt;br&gt;- Online giving began to thrive&lt;br&gt;- Participation products took on their shape</td>
<td>- From PC to mobilphone&lt;br&gt;- The popularity of charity crowdfunding&lt;br&gt;- Ups and downs of Weibo (Chinese twitter)</td>
<td>- “Internet + philanthropy” had rapid development&lt;br&gt;- Government issued strict policy&lt;br&gt;- Philanthropy becomes part of daily life</td>
</tr>
<tr>
<td>2006-2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What happened in 2015 - 2016?

- Internet + Charity Law
- 99 Charity Day
- Online Fundraising Platform License
National public fundraising foundation can carry out public fundraising events nationwide. The Civil Organization Administration of the Ministry of Civil Affairs is in charge of the registration, and the registered capital fund must be no less than RMB8 million.

Local public-fundraising foundation can only carry out public fundraising events within the administrative area of registration. Civil affairs bureaus of provinces, autonomous regions, as well as municipalities people's governments are in charge of the registration, and the registered capital fund must be no less than RMB4 million.

Foundations can not raise funds from the public. There are no geographical restrictions for non public-raising foundations. Civil affairs bureaus of provinces, autonomous regions and municipalities people's government and higher are all available for registration. The registered capital fund must be no less than RMB2 million.
Chinese NGOs can apply for the Charity Organization Qualification.

Charity organizations can apply for Public Fundraising Qualification 2 years after they get the Charity Organization Qualification.

Only charity organizations who have the Public-Fundraising Qualification can raise funds from the public.

Foreign NGOs are not allowed to do any kinds of fundraising in China.

Online fundraising platforms should get certain qualifications from Chinese government.

Now in China, only 20 online fundraising platforms are authorized to raise funds from the public, including Alibaba, Ant Love, Tencent Charity, and Sina Charity.
Fundraising Market in China

The amount of charity donation has been continuously growing in the past 5 years. In 2017, the total amount of donation made in China was expected to be 149.9 billion yuan.

2007-2017 Annual Charity Donation Amount in China (unit: 100 million RMB)

*Source: China Charity Alliance "Report on China's Charity Donation in 2015-2016"
In 2015, the total amount of China’s charity donation account for 0.15% of the GDP; in 2016, the figure is 0.19%; in 2017, it’s also 0.18%. That figure of the US in 2015-2017 is 2.1%, 2.1%, and 1.99%.

*The US data source: Giving USA
The third party platform on the internet saw incessant growth between 2014 and 2017, with an explosive growth recorded in 2015, forming a rolling momentum for the rapid development seen in 2016 and 2017. Between 2014 and 2017, the public made great contribution in forms of cash donation, non-cash donation, buying cause-related products, resulting in a total amount raised and the total number of participants via the third party shown as below:

Total Amount Raised and the Number of Participants via Third Party Platforms in 2014 - 2017

The number of 2017 need to be verified in the next report.
% in the Total Social Donation Amount

Though the total amount raised via the third party platforms in 2015 accounts for only 1.11% of the total social donation amount raised in China, compared with the figure in 2014, it has seen a 0.7% growth and has surpassed the threshold of 1%.

In 2016, the amount raised from the third party platforms accounts for 1.42% of the total social donation amount, a 0.31% growth compared with that of 2015. Based on the estimated total social donation amount of 155.8 billion raised in 2017, the figure from the third party platforms in 2017 accounts for 1.73%, a 0.31% growth compared with that of 2016.

*Source: China Charity Alliance "2015-2016: China Charity Donation Report", "Charity Blue Book, 2018"
Part II, Overview of How the PublicParticipates in Online Giving Platforms.
Showcase of the Participation Methods

The participation methods as discussed in this report include: giving, p2p fundraising, buying, communication and interaction, investment for non-profit projects, voluntary service etc. All these methods are the mainstay by which the public participates in online philanthropy activities via 3rd party platforms.
Diversification of Online Giving

Giving a gift

Monthly Giving

P2P Fundraising

Financing Income Donation
Donation of Step Counts

Diversification of Online Giving

Credits Donation

Interactive Game Donation of Trees

Repost Donation
Tencent Charity Foundation platform is characterized with integration, energization, and leverage. The platform has been mainly involved in participation methods like donation and fundraising. Giving, monthly giving, donation of step counts, peer-to-peer fundraising are general functions. The most common accesses to which the public is provided mainly refers to WeChat.

During the 99 Charity Day in 2017, the total amount raised from the public in 3 days reached over 829.9 million Yuan (≈119 million Dollars) with 12.68 million participations. In 2018, the total amount is 830 million Yuan (≈119.1 Dollars) with 28 million participations.
Alibaba Philanthropy has provided multiple participation access to the public and has shown diversified, decentralized and routine functions. Taobao, Tmall, Cai Niao, DingTalk and other products under Alibaba Group are all designed with everyday charity access to which the public can provide cash donation, in-kind donation, fundraising or buy cause-related products, contribute their position for charity ads or provide volunteer service when shopping online, ordering an express delivery or working at their offices. Such diversified methods exert a great effect on people's participation in charity activities.

**Item-sell-for-charity Project, the Charity Product with the Most Participants**

In 2016, some 36 million items on Taobao and Tmall platforms were tagged as “Item-sell-for-charity”, generating a total donation amount of 182 million yuan (≈ 26.1 million Dollars) with nearly 280 million buyers involved. In 2017, the figure is 246 million yuan (≈35.3 million Dollars) with nearly 350 million buyers.
Ant Love platform takes great advantages of the financial characteristics of the platform, providing an unique online philanthropy financial product by combining causes and finance in an elegant way: the public can, by the Interest Income Donation function, donate one cent every day from the financing income via Yu'E Bao, a financial product; or by its Ant Forest donate the green energy accumulated through low carbon behaviours such as daily walking or off-line payment, in which every tree virtually planted would be matched by a real tree planted by Ant Love and its partners; or by the high-tech Ant Insurance, donate medical insurance to impoverished groups to help them fight against poverty caused by illnesses.
Ever since 2015, gongyi.weibo.com has initiated its strategic transformation towards a charity communication platform centered by celebrity charity and fans charity modes. Based on the nature of social media, it has made itself a perfect communication platform by which the public can take part in charity activities and discussions, drawing on the plentiful resources brought about by the celebrities and corporate accounts.

**Celebrities + fans**

Fans Charity, the force generated through celebrities + fans

In 2016, some 1100 stars and celebrities with 8580 companies participated in communication of charity activities while over 460,000 microblog contents relating to charity were posted with nearly 7 million gifts were made, generating a total amount of 5.718 million yuan (≈0.82 million Dollars) raised by means of live streaming and fans donations. In 2017, the total amount of the donation is 27.78 million yuan (≈4 million Dollars) with 574 thousand gifs.
<table>
<thead>
<tr>
<th>Name of the platform</th>
<th>Direct Donation (Cash Donation and Non-cash Donation)</th>
<th>Raise fund for Charity Projects/Organizations</th>
<th>Buying Cause-related products</th>
<th>Participation in Communication and Interaction Regarding Charity</th>
<th>Investment</th>
<th>Volunteering service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tencent Charity Foundation</td>
<td>donation, Monthly Giving, Donation of Step Counts via WeChat and QQ</td>
<td>Donate Together</td>
<td>Taobao Charity E-shop, Tmall Charity E-shop, Taobao Crowdfunding, CaiNiao,&quot;Yi Jian&quot; Charity Alliance</td>
<td>Alibaba Philanthropy Ad Network</td>
<td>WeChat Moments, WeChat Accounts</td>
<td>Volunteering Task Application</td>
</tr>
<tr>
<td>Alibaba Philanthropy</td>
<td>Taobao Charity E-shop, Tmall Charity E-shop, Taobao Crowdfunding, CaiNiao,&quot;Yi Jian&quot; Charity Alliance</td>
<td>Taobao Crowdfunding</td>
<td>Taobao Charity E-shop, Tmall Charity E-shop, Item-sell-for-charity project, Taobao Charity Auction</td>
<td></td>
<td></td>
<td>DingTalk Reunion, 3-hour Charity Platform</td>
</tr>
<tr>
<td>Ant Love</td>
<td>donation, monthly donation, donation of step counts, donation of low carbon behaviour energy via Ant Forest, Donation of Care via Ant Farm</td>
<td>Donation via Consumption</td>
<td></td>
<td></td>
<td>Donations of Income, Ant Love Charity Insurance</td>
<td>Voluntary Registration for Organ Donation</td>
</tr>
<tr>
<td>Weibo</td>
<td>Once-off Donation, Donation of Step Counts</td>
<td>Repost Donation</td>
<td>Charity Auction</td>
<td></td>
<td>Weibo, Live Streaming Charity Alliance</td>
<td>Volunteer Registration, Verification of Project Information</td>
</tr>
</tbody>
</table>
Part II, Overview of How the Public is Participating in Charity —— Cash Donation
General Cash Donation Situation About the 3rd Party Platforms between 2014 and 2016

During the 3-year period between 2014 and 2016, cash donation amount has been soaring.
Bar Charts for Cash Donations, Matching Gift Program for Cash Donations and Other donation Amounts between 2014 and 2016 (unit: 100 million yuan)

- Other amounts (including non-cash donation matching gift, buying of charity product, donation of financing income)
- Amount of Cash Donation Matching Gift (99 Charity Day)
- Amount of Public Cash Donation
Public Cash Donation via 3rd Party Platforms between 2014 and 2016 has witnessed A Downturn

Though the total amount raised has been soaring, the percentage of the public cash donation amount against the total amount raised online via third party platforms is declining: in 2014, the figure is 83.32%, and in 2015, 73.80%, in 2016, down to 59.19%;

while the percentage of other amounts raised through matching gift for non-cash donation, and by buying cause-related products or from financing income donation between 2014 and 2015 comes to be 16.68% and 18.77% respectively and rocket to over 25% in 2016.

That means the significance of cash donation via online platforms is declining, though for a very long period of time, it served as the mainstay of social donation method. The public participation methods are increasingly diversified.
The public donations are mainly done via the donation platforms of large-sized commercial players

The focal part of the public donations remains to be seen via those donation platforms that are based on giant commercial platforms and feature tremendous traffic advantages such as Tencent Charity Foundation, Ant Love and Taobao (Charity E-shops) platform. The total cash donation amount raised through these three platforms accounts for over 70% of the total amount raised via all third party charity platforms in the past three years on end with a peak of 94% reached in 2016. Among all of these platforms, the cash donation amount raised via Tencent Charity Foundation saw the highest growth.
The public still tends to donate randomly

As shown by "China's Annual Charity Donation Report, 2015" released by China Charity Alliance by the end of 2016, among the total amount donated by individuals in 2015, the sum of petty donations of less than 10,000 yuan rose to 7.5 billion yuan from 5.86 billion yuan recorded in 2014, accounting for 44.3% of the total amount of individual donations in the same year.

From the perspective of absolute increment, the total amount raised via online third party platforms was increased by 641 million yuan in 2015 compared with that of 2014, of which the total amount of petty donations accounts for nearly 40%, indicating that the development of online donation platforms have a direct influence on the increase of petty donations from individuals.

However, while the total amount and the number of participants from on-line donation platforms both see enormous growth, the donations remain to be obviously random.
It is wise not to ignore the rapid growth of the monthly giving amount between 2015 and 2016. As data from Ant Love shows, in these two years, the growth rate of the total monthly donation comes to be a surprising 200%.

<table>
<thead>
<tr>
<th>Name of the platform</th>
<th>Monthly Giving amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity Platform of China Merchants Bank</td>
<td>Donate 10 yuan every month</td>
</tr>
<tr>
<td>Tencent Charity Foundation</td>
<td>Donate 20 yuan every month</td>
</tr>
<tr>
<td>Ant Love</td>
<td>Donate 20 yuan, 50 yuan or more every month</td>
</tr>
<tr>
<td>Xinhua gongyi</td>
<td>Donate 30 yuan every month</td>
</tr>
<tr>
<td>Lianquan.org</td>
<td>Donate 10 yuan, 20 yuan, 50 yuan or more every month</td>
</tr>
</tbody>
</table>
Taking into account of the data released by Tencent Charity Foundation and Ant Love, two key platforms in China, we can see that post-80s dominate in the field of online cash donations as indicated that nearly 50% of the total amount raised via Tencent Charity Foundation and Ant Love are from post-80s.

Among the three giant platforms, only Ant Love records a tendency that men donate more than women while on Tencent Charity Foundation and Alibaba Foundation, women are the dominating donors. The majority of the donors on Tencent Charity Foundation is post-80s, followed by post-70s and post-90s while on Ant Love, post-90s are the majority with a percentage of 48%, far above that of the post-80s and post-70s. Data from TouTiao indicate the same tendency. Among the most enthusiastic followers of charity news, readers at the age of 18 to 30 account for 65% with the majority being post-90s. In 2016, donors of post-90s outnumbered post-80s for the first time.

Thus it can be seen that currently the main force for online donations in terms of the amount comes to be those post-80s but post-90s are most passionate about charity.

Post-80s are leading the online charity donation but those post-90s are the future. How to attract and retain those young post-90s are the topic that requires attention from NGOs now.
Guangdong remains No. 1 province in donation, while those non-first-tier cities show huge potential.

When considering the data released by Tencent Charity Foundation, Ant Love and Alibaba Foundation, we can see that the geographic distribution of the donors from these three platforms are basically the same as Guangdong, Beijing, Jiangsu, Zhejiang, Shangdong, Fujian, Sichuan, Henan are the top-10 places where cash donations are mainly from.
Part II, Overview of How the Public is Participating in Charity —— Non-Cash Donation
## Virtual Goods Donation

### Table Non-cash Virtual Goods Donation Platforms

<table>
<thead>
<tr>
<th>Category</th>
<th>Main contents</th>
<th>Typical projects or platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repost Donation</td>
<td>The participants will attract matching gifts from corporates or foundations by reposting the charity projects</td>
<td>gongyi.weibo.com</td>
</tr>
<tr>
<td>Donation of Sporting Movements</td>
<td>To donate one’s walk steps or run steps daily, which the charity organization or the sponsor will convert into money and donate the amount to charity organizations or beneficiaries.</td>
<td>WeChat Sporting Donation, Alipay Walk Donation</td>
</tr>
<tr>
<td>Donation of consumption points</td>
<td>Banks, airlines, e-commerce platforms or other companies encourage consumers to donate their consumption points to charity projects</td>
<td>Banks: China Merchants Bank, Agricultural Bank Of China, China Construction Bank, Bank of Communications Co. Ltd. and the like; Airlines: Hainan Airlines, China Eastern Airlines etc.; E-commerce Platforms: donation of Taobao Coins etc.</td>
</tr>
<tr>
<td>General Donation in terms of sporting, socializing, gaming etc.</td>
<td>When combining with healthy or green lifestyles, users' interactive behavior will be designed to accumulate points/energies which will then be given to their interested charity projects against which those supporting companies will provide actual fund.</td>
<td>Ant Love (Ant Forest, Ant Farm), Rice donate</td>
</tr>
</tbody>
</table>
Tendency of Virtual Goods Donation

Virtual goods donation was mushrooming between 2015 and 2016 with sports for donation and general donation being most active.


- Amount of Matching Gift (100,000 yuan)
- The Percentage ratio to the total amount raised via third party platforms
Part II, Overview of How the Public is Participating in Charity —— Fundraising
Charity Fundraising activities Initiated by the Public can be classified into individual fundraising projects (or activities) and P2P (Peer to Peer) fundraising projects.

As per the stipulation of Charity Law, only those philanthropic organizations that have officially registered and been accredited are allowed to conduct charity fundraising. Those individuals or organizations who are not qualified for public fundraising can only do this by cooperating with other qualified organizations.

The charity fundraising activities mentioned in this report all refer to the activities in line with the Charity Law, excluding personal charity appeals initiated by any individual, but including personal cases initiated by an individual but claimed by an qualified organization.
<table>
<thead>
<tr>
<th>Type of Platform</th>
<th>Platform Name/Function</th>
<th>Rules for individuals to initiate projects</th>
<th>Does it need to be accepted or approved by a NGO?</th>
<th>Does it need &quot;Online fundraising information platform qualification&quot;?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online fundraising Platform</td>
<td>Tencent Charity Foundation/Tencent Donation</td>
<td>Real Name Authentication: all project initiated by individuals must be accepted and approved by public-fundraising organizations</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>gongyi.weibo.com/personal assistance request</td>
<td>Only yellow-badged users are allowed; it is required to get contact with the cooperative partners (including charity organizations and the supporting team) and of Weibo and gongyi.weibo.com. When it is verified by members of the supporting team), the platform will automatically post an assistance request project.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Lianquan.org.</td>
<td>Participation is only limited to those who have registered and passed verification; Donation projects should be approved by Lianquan.org before being released.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Charity Crowdfunding Platforms</td>
<td>Taobao Crowdfunding/Charity</td>
<td>Only limited to normally operating Taobao Shops; Projects shall be jointly launched with charity organizations</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Zhongchouwang/Charity crowdfunding</td>
<td>Those natural persons or legal persons having capacity for civil conduct(individuals are not allowed to initiate projects relating to illness supporting projects)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Qingsongchou/Care Access</td>
<td>Individuals under management of charity organizations; such projects will be posted on Qingsongchou's charity page and be labelled &quot;charity fundraising&quot; when all supporting documents are submitted and approved.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Peer to Peer Fundraising features the following three advantages:

First, it enables the supporters of a charity project or an organization to be fundraisers, endorsing the project with their own credit thus to help the organizations to gain the trust of the public.

Second, the supporters can persuade their friends to take part in the on-line fundraising activities, facilitating the organizations to reach a wider range of donors, thus expanding their donor databases.

Third, excellent design of P2P fundraising products can trigger off explosive spreading through word of mouth, attracting more attention from major donors such as corporate donors, thus to bring more resources for the organizations.

Table 7 On-line third party platforms that offer P2P fundraising functions

<table>
<thead>
<tr>
<th>Platform Name/Function</th>
<th>Launch time</th>
<th>Personalized part</th>
<th>Platforms to be shared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tencent Charity Foundation/Donate Together</td>
<td>2014</td>
<td>Targets and slogan of fundraising activities</td>
<td>WeChat</td>
</tr>
<tr>
<td>Lianquan.org./Charity Activities - Aipuman</td>
<td>2015</td>
<td>Amount to be raised and slogan</td>
<td>WeChat</td>
</tr>
</tbody>
</table>
Part II, Overview of How the Public is Participating in Charity ——Buying Products
Buying Products for Charity

The public buying charity products on the internet platforms are focusing on charity derivatives, cause-related products and charity auction while e-commerce platforms and crowdfunding platforms are the most important platforms via which the public participate in charity activities. Buying cause-related products is the most common way for such participations.

With the development of the internet technology, even very small sellers can support and take part in charity activities by those cause-related marketing platforms offered by e-commerce platforms.

The earliest and most influential third party platform providing cause-related marketing is the Item-sell-for-charity project under Alibaba Philanthropy.
<table>
<thead>
<tr>
<th>Buying Products for Charity</th>
<th>Type of Platform</th>
<th>Example:</th>
<th>Operation subjects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying charity derivatives</td>
<td>E-commerce platform</td>
<td>Taobao/Tmall/Charity E-shop on Weidian</td>
<td>Charity Organization</td>
</tr>
<tr>
<td></td>
<td>Charity Crowdfunding Platforms</td>
<td></td>
<td>Jointly Launched by Charity Organizations and Crowdfunding Platforms</td>
</tr>
<tr>
<td>Buy Cause-related marketing products</td>
<td>Buy cause-related marketing products jointly provided by charity organizations and companies</td>
<td>E-shops of charity organization or other companies via Taobao/Tmall/Weidian and the like</td>
<td>Charity Organization and Their Partner Companies</td>
</tr>
<tr>
<td></td>
<td>Buy the products of those sellers who are part of the sales volume donation plan</td>
<td>Taobao/Tmall &quot;Item-sell-for-charity&quot; program, one-point-commonweal, iDUIYUE</td>
<td>Platform</td>
</tr>
<tr>
<td>Charity Auction</td>
<td>E-commerce platform</td>
<td>Taobao Auction, Xianyu Auction</td>
<td>Charity Organization</td>
</tr>
<tr>
<td></td>
<td>Social Media Platform</td>
<td>gongyi.weibo.com</td>
<td>Jointly Launched by Charity Organizations and Celebrities</td>
</tr>
</tbody>
</table>
In 2015, some 1.5 million sellers on Taobao/Tmall took part in the Item-sell-for-charity project with 270 million buyers and some 3 billion participations contributing to a total charity amount of 147 million yuan. The number of sellers reached nearly 1.8 million in 2016 while that of buyers reached 300 million with the number of participations going to 4.393 billion, resulting in a total charity amount of 182 million yuan.

The growth of the donation amount of Item-sell-for-charity program

The growth of the buyers and sellers of Item-sell-for-charity program
Compared with the situation in 2014, charity projects relating to disease and disaster relief dropped from 32.9% to 19% when the projects aimed at supporting disadvantaged groups rose to rank No. 2 among all types of projects.

Taking into consideration of an overall growing of the charity areas, such change show that sellers participating in the Item-sell-for-charity project via Alibaba Foundation have shifted their attention gradually to supporting those vulnerable groups from donating mainly to victims of unpredictable disasters like earthquake.
Part II, Overview of How the Public is Participating in Charity ——— Communication
Charity Has Made Its Way to the TOP10 Topics of Users

According to the "Weibo Users Development Report, 2015" released by Sina Weibo Data Center, charity was among Top-10 popular topics for Weibo users in 2015 as the analysis on the rating of popular Weibo topics shows.

Source: Sina weibo data center
Philantropy Topics on Weibo

Among the Top-3 topics in terms of hits for reading, the No.1 topic "Touching Moments" does not have a direct link to specific NGOs or projects while the No. 2 and No. 3 topics, "Love with a Meal" and "Draw the Line of Life" are charity projects highlighted by celebrities. Since gongyi.weibo.com positioned itself as a platform for communication rather than fundraising in 2015, it focuses more on leveraging the openness of weibo, the microblog and resources of celebrities for charity communication.

### Table - Communication of Charity Topics via Weibo in 2016

<table>
<thead>
<tr>
<th>Number of Charity Topics on Weibo (piece)</th>
<th>16688</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading quantity of Charity topics (100million)</td>
<td>654</td>
</tr>
<tr>
<td>Number of stars and celebrities taking part in charity communication</td>
<td>1100</td>
</tr>
<tr>
<td>Number of companies taking part in charity communication</td>
<td>8580</td>
</tr>
</tbody>
</table>

### Table - Top-3 of the charity topics in terms of reading quantity via weibo platform in 2016

<table>
<thead>
<tr>
<th>Topics</th>
<th>Reading Quantity</th>
<th>Initiated by</th>
<th>Donation received by</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Touching Moments&quot;</td>
<td>9 billion</td>
<td>CCTV News</td>
<td>Uncertain</td>
</tr>
<tr>
<td>&quot;Love with a Meal&quot;</td>
<td>2 billion</td>
<td>Free Lunch for Children, gongyi.weibo.com</td>
<td>Free Lunch for Children</td>
</tr>
<tr>
<td>&quot;Draw the Line of Life&quot;</td>
<td>1.87 billion</td>
<td><a href="http://www.yizhibo.com">www.yizhibo.com</a>, Bazza Charity Night</td>
<td>Bazza Charity Night under China Siyuan Foundation for Poverty Alleviation</td>
</tr>
</tbody>
</table>
Part II, Overview of How the Public is Participating in Charity — Charity Investment
Potentially Powerful Fundraising Products——Charity Loans

Charity investment via on-line third party platforms refers to those financial investment products utilized by the public which are then used to support charity activities by means of low-interest loans, charity insurance, financing income donation etc. Compared to other participation means, such products are rarely seen on third party platforms, promising huge potentials.

yinongdai.com is currently the most important on-line platform for granting charity loans. It is a platform aiming to support farmers with charity financing products launched by CreditEase in 2009, through which those charitable people can lend their funds to village borrowers in poverty-stricken areas to support their production and life. The smallest loan amount allowed on the platform is 100 yuan, and a loan of only 1000 or 2000 yuan can be greatly helpful for those poor farmers and the lender can receive a revenue of 2%.

Table - Data of yinongdai.com from 2015 and 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount lent(yuan)</th>
<th>Lender (number)</th>
<th>Beneficiary Farmer (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015年</td>
<td>62,801,980</td>
<td>18,025</td>
<td>4,243</td>
</tr>
<tr>
<td>2016年</td>
<td>62,204,300</td>
<td>18,258</td>
<td>3,866</td>
</tr>
<tr>
<td>2017年（截至6月30日）</td>
<td>25,038,700</td>
<td>4,659</td>
<td>1,024</td>
</tr>
</tbody>
</table>

Since the establishment of yinongdai.com in 2009, it has witnessed a total loan amount of 255,522,500 yuan by 2017, with 170,898 registered users supporting a total number of 23,323 farmers. Based on the data between 2015 and 2016, the platform performs rather stably with the total amount of loans, the numbers of lenders and support receivers well matched.
Charity insurance has the advantage of being able to respond quickly with the mature internet compensation process to shorten the waiting time so that the beneficiary of the insurance can get support in time while the internet platforms can provide technological support in terms of its sales, compensation process and information disclosure, making it possible to expand on large scales.

On 12th July, 2017, under the leadership of the State Council Leading Group Office of Poverty Alleviation and Development and National Health Commission of the People's Republic of China, the three parties, China Foundation for Poverty Alleviation, Alibaba Philanthropy and Ant Love jointly launched the "Health Insurance for Poor Family Pillars" ("Pillars Project" for short) to provide charity-related critical illness insurance program with the insured amount ranging from 3,000 yuan to 100,000 yuan to those registered low-income family pillars aged between 20 and 60.

The insurance covers all hospitalization expenses that are not covered by social medical insurance. The compensation amount is determined by the actual expenses and is not limited by the class of hospitals, types of illnesses and the locations. It is forecast that by 2020, the project will cover a population of 10 million poor family pillars accumulatively.
To donate financing income is by no means something new, but taking into consideration of the operation cost, such a donation method is limited to major gifts and donors must sign agreement with foundations who then entrust third parties to invest the donated funds into financing projects.

The coming of internet finance changed this situation.

In August, 2015, Ant Love initiated a function called “Financing Income Donation” which enables those users who have linked to it to donate a cent every day to their selected charity projects from their financing income. Based on internet finance technology, users only need to operate on an easy-to-do function to donate. The amount to be donated comes to be only 1 cent, greatly lowering the threshold for participants, thus making it a very popular donation access.

In 2016, Ant Love has seen about 600,000 participants taking part in “Financing Income Donation”, contributing to a total amount of 2.2 million yuan with the number of participants increased by 69%, indicating that more and more people are willing to support charity activities when at the same time, financing their money. “Financing Income Donation” helped the traditional income donation means to be easily accessible by ordinary people.
Part II, Overview of How the Public is Participating in Charity —— Volunteering
“Internet+ volunteering” means that not only the internet platform can be regarded as the management tool for daily recruiting and organizing of the volunteers and at the same time, improving work efficiency of them, but also it can provide access to the public for participation based on the traffic of the platforms. It even means that based on technological advantages, it can reach and motivate the public, enhancing ordinary volunteering up to an organic part of the social governance.

Table - "Three hours for a better world" platform

However, there is no successful example can prove that “Internet + volunteering” works in China.

Alibaba group launched “Three hours for a better world” platform on the Ant Love platform in 2017.

The effect of this platform is to be verified by time.
In 2016, the DingTalk "Reunion" system was launched by Alibaba group.

From May, 2016 when its 1.0 version was released till May, 2017, over 1317 messages about missing kids were posted on DingTalk "Reunion" system, among which 1274 kids were successfully traced and brought back home, with a 96.74% of success rate.

Though the number of DingTalk users (3 million by the end of 2016) is far outnumbered by Weibo, the result show that DingTalk has a much better effect by making significant breakthrough in establishing a relatively comprehensive system by which everyone can volunteer to crack down on the abduction of kids.

Table - DingTalk Reunion Platform

<table>
<thead>
<tr>
<th>Platforms linked to DingTalk Reunion Platform version 2.0</th>
<th>Platforms added to DingTalk Reunion Platform version 3.0</th>
</tr>
</thead>
</table>
Part III, Tendency
Summary and tendency

1. Charity products provided by commercial platforms are developing rapidly while the vertical platforms in charity industry are facing challenges.

Throughout the development history of China's internet charity platforms, the mainstay of the internet charity platforms were closely linked to online commercial platforms at the outset. Alibaba Foundation, Ant Love, Tencent Charity Foundation and gongyi.weibo.com, the Giant-Four on-line third party charity platforms are all closely connected to their parent commercial platforms in terms of their self-positioning and development strategy. Making good use of the resources, technology and traffic of their parent commercial platforms, the Giant-Four saw rapid growth in 2015 and 2016.

Meanwhile, such commercially-based platforms are able to dig deep to attract and link to the resources of the charity organizations. For instance, platforms can, by dint of functions like Donation of Step Counts or Donate Together reach to the corporate clients of the charity organizations or by dint of an incentive mechanism of matching gift, connect to the fans of such charity organizations.

Since 2014, vertical charity platforms mushroomed and the market saw greatly expansion, however, at least for a short period of time, they don't show new power to compete with commercially-based platforms.

In the future, third party charity platforms based on commercial players will take an even greater upper hand with more diversified participation modes for the public while those vertical platforms, in order to survive the huge pressure from giants, will focus more on its differential positioning with more personalized functions.
Summary and Tendency

2. The percentage of the amount of direct cash donation by the public continues to fall, while the modes for the public to participate in charity will be more diversified and non-cash matching gift will see greater potentials.

Based on analysis of the data recorded between 2014 and 2016, the cash donation amount made by the public via third party platforms was growing rapidly, but the percentage it accounts for in the total social donation amount kept falling in those three years on end.

Many new donation modes, including Donation of Step Counts, of Financing Income, of Social Insurance, of low carbon energy as well as cause-related marketing. All these new modes have been widely accepted by the public.

In the future, an even more diversified situation will be seen while how non-cash donation will be carried out is also very promising.
Summary and Tendency

3. Internet Charity Platforms have changed the discourse rights of the philanthropy industry in China, enhanced the breeding of fundraising ecology and created a much diversified participation environment for online fundraising and participation.

Before the advent of internet charity, NGOs had to go all out to cooperate with traditional public-raising foundations due to the scarce possibility of getting qualified. But now, with the coming of internet, the old, traditional charity mode which features the domination of public-raising foundations have been changed.

In order to attract private NGOs, the public-raising foundations become more "service-oriented". Typically this can be evidenced by the "99 Charity Day" launched by Tencent Charity Foundation, in which public-raising foundations rush to launch their matching-gift programs and various value-added services to attract private NGOs, resulting in rapid transition to service-oriented financing platforms when in return, private NGOs are thus empowered to select which public-raising foundations to cooperate and then to compete in the fierce market.

In the meantime, the development of online third party platforms has given rise to the emergence of fundraising consultation firms, fundraising companies, and other agencies, thus leading to the creation of a fundraising ecology.

As it goes, the deepening of internet + charity mode will witness more third party service providers in this industry when at the same time, those commercially marketing firms, ads agencies and public relations firms that have some connection to or similar products with fundraising industry may also find opportunities in this field and join the force.
Summary and Tendency

4. The development of Internet philanthropy platforms makes the border between commerce and philanthropy much vaguer, and commercial capitals will continue to strike the values and ethical boundaries of the philanthropy industry.

The efficient commercial operations and plentiful resources of the third party fundraising platforms has driven the industry go better and better. However, when commercial capitals cut in abruptly, China’s philanthropy industry still lags behind, not ready to face the change of values and the urgency of updating its ethic construction.

While, the great success of Qschou show that third party platforms characterized with "charity" function can bring about commercial successes too. Ever since, a flood of new entrepreneurs featuring both commercial and technological backdrops surged to dabble in areas like personal medical assistance, reciprocal help in illnesses as well as one-to-one students assistance with their products such as "Shuidichou", "Fenbeichou" and so on. Though personal assistance-related charity doesn't belong to charity industry as stipulated in Charity Law, in the eyes of Chinese donors, they bear little difference from public fundraising platforms.

Such platforms based on commercial operation mindset are designed and planned for gaining good participation experience, which somehow conflicts with the charity values focused on protecting beneficiaries' privacy and other rights. That said, catering to the interest of the public or by using human weaknesses often lead to commercial successes. In the future, the development of such platforms may lead to even more serious shock to the conventional values and ethics of charity.
Summary and Tendency

5. The development of Internet Charity will push the charity industry to face up to the issue of homogenization.

Lack of thorough comprehension of the social problems, high similarity of projects and the other homogeneous issues are never new, but the rapid development magnified them. The first step that China's internet charity projects have taken is putting off-line projects on-line. Due to the limitation of design capacity, a large hoard of on-line projects look extremely similar. It is hard to tell their difference by the public. This also leads to malignant competition and severe plagiarism.

Driven by the third party charity platforms, particularly by those commercially-based platforms, China's internet charity platforms are taking the second step now: to provide participation modes that are closely linked to everyday life of the public. The products designed for such platforms including Donation of Step Counts, in-kind donation and volunteering service are very popular among the public. But for ordinary people, most of the accesses, either for donation or participation, are provided by the platforms, and they do so simply because of their trust of the platforms, not because of their support of the organizations.

This trends may obviously push the industry to face up to and think about the reality of homogenization that have long been ignored and find ways to build up their own channels and communities.

Compared to the high-techs or the resources gained from third party platforms, China’s NGOs resort more to their understanding and appreciation of the public psychology when designing their participation modes. The future is promising and we expect that in the near future, China's charity industry will bring us more innovative ideas.
Thank you

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